

Date:

(Filing No. H-)

TAXATION

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STATE OF MAINE HOUSE OF REPRESENTATIVES 132ND LEGISLATURE FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to H.P. 488, L.D. 746, “An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund Municipalities and Affordable Housing”

Amend the bill in section 1 in §1822 by striking out all of subsection 2 (page 1, lines 9 to 12 in L.D.) and inserting the following:

'2. Authorization to impose local option sales tax. A municipality by referendum conducted pursuant to subsection 8 may impose a local option sales tax of 2% on the value of rental of living quarters in any hotel, rooming house and tourist and trailer camp, including casual rentals.

A. A local option sales tax may not be imposed in the unorganized territory.

B. A local option sales tax may be imposed only on a year-round basis. A municipality may not adopt a seasonal or part-year local option sales tax.'

Amend the bill in section 1 in §1822 in subsection 3 in the last line (page 1, line 15 in L.D.) by striking out the following: "section" and inserting the following: 'sections 1764 and'

Amend the bill in section 1 in §1822 in subsection 3 in the last line (page 1, line 15 in L.D.) by inserting after the following: "1811." the following: 'A taxpayer who reports sales tax collected on casual rentals on that taxpayer's individual income tax return pursuant to section 1951-A, subsection 3 is not required to collect and remit local option sales tax.'

Amend the bill in section 1 in §1822 in subsection 5 in the last line (page 1, line 22 in L.D.) by striking out the following: "Part." and inserting the following: 'Part, and sourcing determinations must be made pursuant to section 1819.'

Amend the bill in section 1 in §1822 in subsection 9 in the 3rd line (page 2, line 16 in L.D.) by striking out the following: "9" and inserting the following: '8'

Amend the bill in section 1 in §1822 in subsection 9 in the last line (page 2, line 20 in L.D.) by striking out the following: "2026" and inserting the following: '2027'

Amend the bill by inserting after section 1 the following:

'Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Establishes one Tax Examiner I position to review and process local option sales tax filings effective October 1, 2025.

GENERAL FUND	2025-26	2026-27
POSITIONS - LEGISLATIVE COUNT	1,000	1,000
Personal Services	\$112,353	\$148,341
All Other	\$10,000	\$10,000
GENERAL FUND TOTAL	\$122,353	\$158,341

Revenue Services, Bureau of 0002

Initiative: Provides funding for computer programming costs.

GENERAL FUND	2025-26	2026-27
All Other	\$815,574	\$540,654
GENERAL FUND TOTAL	\$815,574	\$540,654

**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF
DEPARTMENT TOTALS**

	2025-26	2026-27
GENERAL FUND	\$937,927	\$698,995
DEPARTMENT TOTAL - ALL FUNDS	\$937,927	\$698,995

HOUSING AUTHORITY, MAINE STATE

Housing Authority - State 0442

Initiative: Allocates funds for the rural affordable rental housing program or another program that supports the development of affordable housing in rural communities from revenue received from the local option sales tax.

OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
All Other	\$0	\$326,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$326,000

**HOUSING AUTHORITY, MAINE STATE
DEPARTMENT TOTALS**

	2025-26	2026-27
OTHER SPECIAL REVENUE FUNDS	\$0	\$326,000

1			
2	DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$326,000</u>
3			
4	SECTION TOTALS	2025-26	2026-27
5			
6	GENERAL FUND	\$937,927	\$698,995
7	OTHER SPECIAL REVENUE FUNDS	\$0	\$326,000
8			
9	SECTION TOTAL - ALL FUNDS	<u>\$937,927</u>	<u>\$1,024,995</u>

10

11 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
12 number to read consecutively.

13

SUMMARY

14 This amendment prohibits a seasonal local option sales tax and specifies that casual
15 rentals are subject to the tax.

16 The amendment delays the earliest allowed start date for a local option sales tax by one
17 year to January 1, 2027 and conforms the sourcing of the rental payments to the Maine
18 Revised Statutes, Title 36, section 1819.

19 The amendment allows taxpayers who report sales tax collected from casual rentals on
20 their individual income tax returns to not collect and remit the local option sales tax.

21 The amendment adds an appropriations and allocations section.

22

FISCAL NOTE REQUIRED

23

(See attached)